

Message Text

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TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TRSY

USSAGE NKP

CINCPAC

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

COGARD

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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TAGS: PFOR, XC, US

SUBJECT: SEPTEMBER 10 EA PRESS SUMMARY

1. INDOCHINA

WP'S MCCOMBS IN SAIGON REPORTS ON SECRET DIPLOMATIC

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EFFORT TO GET POLITICAL AND MIL NEGOTIATIONS GOING

AGAIN BETWEEN WARRING SIDES IN VN, QUOTES ONE OBSERVER THAT IT'S MORE EXPLORATORY THAN ANYTHING ELSE. SOURCES SAY EFFORT BEGAN AFTER MALIK RETURNED FROM TRIP TO MOSCOW AND E. EUROPE WITH "ENCOURAGING" INFO ABOUT VN SITUATION. SEVERAL IMPORTANT GVN EMISSARIES HAVE GONE TO JAKARTA BUT UNCLEAR WHETHER ANY SIGNIFICANT RESPONSE FROM COMMUNIST SIDE. ONE OBSERVER BELIEVES THAT SAIGON IS AFTER FIRMER INDICATION THAT OTHER SIDE IS INTERESTED. MCCOMBS REVIEWS BACKGROUND OF SUSPENDED POLITICAL TALKS AT LA CELLE ST. CLOUD AND MIL TALKS AT SAIGON. STATES GVN SPOKESMAN CONFIRMS THAT THIEU'S CHIEF MIL AIDE LEFT FOR JAKARTA AND THAT ROVING AMBASSADOR BUI DIEM WILL SOON GO THERE, DENIES THAT THEY WENT TO MEET WITH "OTHER SIDE." MCCOMBS, HOWEVER, QUOTES 'SOURCES' THAT THEY WENT TO SEE INDO OFFICIALS WHO PLAN TO MEDIATE BETWEEN THE TWO SIDES AND THAT SENATE PRES. TRAN VAN LAM RETURNED FROM JAKARTA WHERE HE WAS ENGAGED IN SAME DISCUSSIONS.

WP FROM SAIGON QUOTES RC ANTI-CORRUPTION GROUP SPOKESMAN AT PRESS CONFERENCE THAT MORE MASS DEMONSTRATIONS, LIKE ONE BROKEN UP BY POLICE IN HUE ON SUNDAY, BEING PLANNED. REPORTS REACHING SAIGON INDICATE THAT DEMONSTRATION ENDED IN VIOLENCE WHEN POLICE USED TEAR-GAS ON CROWD OF "SEVERAL THOUSAND" MARCHING TO A CHURCH; ALSO SAY BANNERS CONFISCATED AND AT LEAST TEN INJURED. POLITICAL OBSERVERS IN SAIGON CALL DEMONSTRATION "SIGNIFICANT" BECAUSE OF DARING ATTACKS THAT LEADERS MADE ON THIEU FOR "MASSIVE CORRUPTION" CITING SPECIFIC ACTS LISTED IN "BILL OF INDICTMENT" INCLUDING BUILDING HOUSES AND ACQUIRING LAND WITH GOVT MONEY; HALTING INVESTIGATION INTO FERTILIZER COMPANY RUN BY BROTHER-IN-LAW; PROFITING FROM DISTRIBUTION OF SCARCE RICE; AND AIDING DRUG SMUGGLERS. AT PRESS CONFERENCE LOWER-HOUSE DEPUTY SAYS TEXT WAS READ ALOUD YESTERDAY IN CHURCH BY FATHER THANH, CHAIRMAN OF PEOPLE'S ANTI-CORRUPTION MOVEMENT WHICH WAS FORMED BY RCS BUT NOT OFFICIALLY ENDORSED BY CHURCH. GVN SPOKESMAN SAYS HUE DEMONSTRATION WAS STOPPED BECAUSE IT WAS ILLEGAL AND UNCLASSIFIED

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"COMMUNISTS MIGHT HAVE TAKEN ADVANTAGE OF IT." FATHER THANH TOLD DEPUTY BY PHONE THAT THERE WOULD BE MORE DEMONSTRATIONS IN HUE. ARTICLE COMMENTS THAT OFFICIALS DID NOT STOP PRESS CONFERENCE, THOUGH LAST WEEK CANCELED ONE CALLED BY JOURNALISTS TO PROTEST PRESS CENSORSHIP AND IMPRISONMENT OF NEWSMEN.

CSM'S SOUTHERLAND FROM SAIGON SAYS NUMBER OF CONSERVATIVE

RC PRIESTS ATTACK GVN FOR CORRUPTION, CONTEND THAT THIEU DOESN'T STAND CHANCE AGAINST COMMUNISTS WITHOUT GOVT REFORM. 300 PRIESTS, MANY OF THEM REFUGEES FROM NORTH, BANDED TOGETHER TO MAKE SURE VOICES HEARD AND CLAIM TO HAVE SUPPORT OF SOME BISHOPS BUT DECLINE TO REVEAL HIGH-LEVEL SUPPORTERS IN RC HIERARCHY. RCS ARE ABOUT TEN PERCENT OF SVN POPULATION BUT WIELD INFLUENCE FAR OUT OF PROPORTION TO NUMBERS. MANIFESTO ISSUED FEW MONTHS AGO DECLARED THAT POWER AND LEADERSHIP IN SVN BASED FOR MOST PART ON CORRUPTION, THAT INFLUENTIAL OFFICIALS PROTECT CRIME AND VICE SO FEW PEOPLE FEEL THEMSELVES SAFE; ALSO PROTESTED AGAINST RESTRICTIONS ON FREE SPEECH. CHIEF MOTIVATION OF RC PRIESTS SEEMS TO BE FEAR OF COMMUNIST TAKE-OVER. QUOTES "LEFT-LEANING" VN PRIESTS THAT COALITION GOVT WITH COMMUNISTS BUT WITHOUT THIEU IS "ONLY SOLUTION" FOR SVN; CONSERVATIVE PRIESTS DO NOT ADVOCATE THAT KIND OF COMPROMISE - "NOT YET ANYWAY" - BUT FEAR THAT CORRUPTION SABOTAGES CHANCES OF ANTI-COMMUNIST REGIME SURVIVING. ONE PRIEST CITES CORRUPTION

AS CAUSE OF CHIANG'S DOWNFALL IN CHINA, SAYS PRESENT SITUATION "100 TIMES WORSE" THAN UNDER DIEM. THIEU IS NOT LIKELY TO BE HAPPY WITH CRITICISM, ESPECIALLY SINCE IT COMES FROM RIGHT-WING GROUP. AS ONE VIET RC PUT IT, THIEU CAN SAY LEFT-WING PRIESTS EXAGGERATE BUT "WHAT DOES HE SAY..." WHEN COMPLAINTS ABOUT CORRUPTION COME FROM RIGHT?

DAN MORGAN (WP) REPORTS THAT SVN WILL GET ABOUT 2/3 OF ALL FERTILIZER PURCHASED BY USG SO FAR THIS YEAR FOR OVERSEAS ASSISTANCE, ACCORDING TO REPORT OF SENATE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS. UNCLASSIFIED

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QUOTES MCGOVERN THAT "SECURITY" CONSIDERATIONS CONTINUE TO DOMINATE US FOOD POLICY. ON STUDY'S FINDINGS ABOUT US FERTILIZER SHIPMENTS TO INDOCHINA, USAID OFFICIAL SAYS FIGURES "INCOMPLETE" FOR CURRENT FY, BUT CONFIRMS THAT ABOUT HALF OF 700,000 TONS OF FERTILIZER SHIPPED ABROAD UNDER ASSISTANCE PROGRAMS WILL GO TO SVN WHERE NEEDED FOR "MIRACLE RICE," AND 125 MILLION DOL COST WILL BE MET THROUGH BOTH DEVELOPMENT AND MIL ASSISTANCE PROGRAMS. MORGAN REVIEWS CONGRESSIONAL CRITICISM THAT ADMIN USED ECON ASSISTANCE TO ENHANCE CAPACITY OF GVN TO WAGE WAR, AND CRUCIAL ROLE OF FERTILIZER IN WORLD FOOD PROBLEMS. STUDY POINTS OUT THAT IN TIGHT-SUPPLY YEAR OF 1973, SVN GOT ALMOST 2/3 OF TOTAL FERTILIZER ASSISTANCE (ABRIDGED IN GLOBE).

2. CHINA

WP AND CHITRIB (UPI, HK) REPORT MAJOR RESHUFFLE OF PRC DIPLOMATS IN PAST FEW WEEKS INVOLVING AT LEAST 17 AMBASSADORS. TRIB SAYS HIGHEST RANKING IS FORMER PLA COMMISSAR FU HAO, WHO FACES DELICATE ASSIGNMENT IN HANOI WITH SOME SPECIALISTS IN CHINESE AFFAIRS SAYING DIFFERENCES INVOLVING POLICIES IN VN AND PRC AID HAVE DEVELOPED BETWEEN PRC AND HANOI. PEKING BASED DIPLOMATS NOTE THAT NVN DELEGATION THAT WENT TO CHINA IN JULY TO NEGOTIATE ECON AID AGREEMENT FOR NEXT YEAR RETURNED HOME WITHOUT ANNOUNCING AGREEMENT.

CHITRIB FROM HK REPORTS PEOPLES DAILY WARNING TO INDIA THAT MOVES TO TAKE OVER SIKKIM WILL LEAD TO STRONG RESISTANCE THERE WHICH WILL HAVE 'SYMPATHY AND SUPPORT OF SIKKIM'S NEIGHBORS'. ANALYSTS SPECIALIZING IN CHINESE AFFAIRS SAID ARTICLE IMPLICITLY PREDICTED ARMED STRUGGLE AGAINST INDIAN ACTION.

SUN REPORTS SEN. KENNEDY, IN ARTICLE TO BE PUBLISHED IN FOREIGN POLICY, CALLING FOR CHINA TO BE INCLUDED IN ARMS CONTROL NEGOTIATIONS. SAID THIS WOULD HELP ALLAY CHINESE FEARS ABOUT SECURITY RESULTING FROM IMPROVED US-USSR RELATIONS.
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SPORTS FROM TEHRAN, AP (WP) REPORTS PRC NOW HAS 18 GOLD MEDALS IN ASIAN GAMES, BUT JAPANESE STILL WAY AHEAD WITH 51. MEANWHILE, OFFICIALS REPORTED TESTS SHOWED NORTH KOREAN TRIPLE GOLD MEDAL WINNER IN HEAVYWEIGHT WEIGHTLIFTING HAD TAKEN PROHIBITED DRUG. NK PROTESTED, AND ANOTHER TEST WILL BE MADE. AND IN TENNIS, CHANCE LOOMS THAT ISRAEL COULD WIN MIXED DOUBLES BY FORFEIT IF CHINESE CONTINUE REFUSE COMPETE DIRECTLY WITH THEM.

3. KOREA

INCIDENT OF SEOUL ANTI-JAPANESE DEMONSTRATORS CUTTING OFF FINGERS WIDELY COVERED (REUTER NYT; UPI PHINQ, NYDN, CHITRIB; WP). FINGER-CHOPPING RITUAL PERFORMED WHEN 15,000 S KOREANS DEMONSTRATED NEAR JAPANESE EMBASSY, TARGET OF VIOLENT PROTESTS SINCE ATTEMPTED ASSASSINATION OF PARK. CHITRIB'S UPI REPORT HAS ANTI-JAPANESE SENTIMENT SPREADING TO CHINHAE, WHERE ABOUT 90 BARBERS AGREED NOT TO SERVE JAPANESE NATIONALS. FM KIM DONG JO SAID HE WOULD RESIGN IF HE FAILED TO

PATCH UP DETERIORATING JAPANESE-KOREAN RELATIONS TO
"SATISFACTION OF OUR PEOPLE" (NYDN, PHINQ, NYT).

4. SINGAPORE

REUTER SINGAPORE (CSM) REPORTS PARLIAMENTARY SELECT
COMMITTEE PROPOSING AMENDMENT TO NEWSPAPER AND PRINTING
PRESSES BILL UNDER WHICH NEWSMEN WOULD FACE PRISON
TERMS OR HEAVY FINES FOR WRITING MATERIAL CONSIDERED
BIASED OR FOR FAILING TO DISCLOSE FOREIGN PAYMENTS
FOR PUBLISHING NEWS ITEMS.

5. AUSTRALIA

JOC'S STOVE IN SYDNEY REPORTS GOA MAKING FIRST-TIME-
EVER DECISION TO UNDERWRITE SHARE ISSUE OF MINE -
MARY KATHLEEN URANIUM. DECISION CONSISTENT WITH GOA
POLICY THAT COUNTRY'S ENERGY RESOURCES SHOULD BE LOCALLY
OWNED AND CONTROLLED.

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6. JAPAN

WH ANNOUNCES PRESIDENT AND MRS. FORD WILL VISIT JAPAN
FOR THREE DAYS BEGINNING ON NOVEMBER 19, AT INVITATION
OF GOJ (AP, SUN; PHINQ). TRIP WILL BE FIRST TO JAPAN
BY US PRESIDENT. TANAKA SCHEDULED TO MEET PRES.
SEPT 21 ON STOPOVER BETWEEN VISITS TO CANADA AND
LATIN AMERICA. THERE HAS BEEN SOME SPECULATION
THAT FORD TRIP MAY BE EXPANDED TO INCLUDE OTHER ASIAN
COUNTRIES, SUCH AS INDIA OR CHINA (WP).

FINMIN OHIRA ENTERS TOKYO HOSPITAL FOR THYROID SURGERY,
BUT EXPECTED TO ATTEND SEPT. 30 IMF ASSEMBLY IN
WASHINGTON (WP).

SUN'S SEIDEN IN TOKYO SEES "STAGFLATION" IN SEVERE
FORM AS PRICES RISE THROUGH DEMAND AND PRODUCTION
DROP. FOR HUNDREDS OF THOUSANDS OF JAPANESE IT WILL
MEAN NO MORE FRILLS LIKE COLOR TV, EXPENSIVE NEW
CLOTHES AND FOOD DELICACIES. GOJ PREDICTS ZERO
GROWTH RATE THIS YEAR FOR FIRST TIME SINCE WWII,
CONTRARY TO EARLIER PREDICTIONS OF PICK-UP. MAJOR
ELECTRICAL MANUFACTURER ANNOUNCES IT WILL GIVE
EMPLOYEES PARTLY-PAID EXTRA DAYS OFF TO CUT PRODUCTION
AND OTHER LARGE COMPANIES ALREADY FOLLOWING SUIT.
MEANWHILE, GOJ ANNOUNCES THAT RICE PRICES WILL GO
UP 32 PERCENT NEXT MONTH AND PUBLIC SERVICE CHARGES,
INCLUDING TRANSPORTATION AND MEDICAL COSTS, ALSO

SCHEDULED TO GO UP. CONSUMER PRICES WILL INCREASE
"PAINFUL" 20-PCT FOR FY 74.

FAA ORDERS IMMEDIATE INSPECTIONS OF LOCKHEED L-1011S
FOLLOWING ALL NIPPON AIRWAYS GROUNDING OF PLANES
BECAUSE OF OIL PRESSURE LOSS DUE TO CRACKS IN
COMPRESSOR HOUSING (REUTER WP, NYT; WSJ).

INDUSTRY SOURCES IN TOKYO SAY OIL REFINERS PLAN TO
RAISE PRICES ON HEELS OF GOJ'S LIFTING OF PRICE
FREEZE. REFINERS SAY INCREASES UNAVOIDABLE BECAUSE
OF HIGHER CRUDE PRICES AND RISING VALUE OF DOLLAR
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(JOC). PRIVATE JAPANESE BUSINESSMEN PLAN TO ATTEND
SESSION OF JAPAN-BULGARIA JOINT ECONOMIC COMMITTEE
IN SOFIA ON SEPT 11 AND LAUNCH SERIES OF SIMILAR
MEETINGS WITH SEVERAL EE COUNTRIES. JAPANESE
PROMISE TO COOPERATE IN REACHING FIVE-YEAR ECON
PLAN GOALS OF THESE COUNTRIES STARTING IN 1976.
NEW JOINT VENTURES, INCLUDING THIRD COUNTRIES, WILL
BE LOOKED INTO (JOC).

CHILEAN ECON ADVISER TO MFA SAYS HIS COUNTRY HAS
RECEIVED PROPOSALS FROM US, CANADIAN, JAPANESE AND
W. GERMAN MINING COMPANIES THAT WANT TO INVEST
TOTAL OF ABOUT ONE BILLION DOLS TO OPEN NEW COPPER
MINES. ADDS THAT JAPANESE COMBINE HEADED BY MITSUBISHI
AGREES TO BUILD IRON-ORE PELLETIZING PLANT AND ANOTHER
JAPANESE GROUP LOOKING INTO USING HYDROELECTRIC POWER
TO REFINE ALUMINUM AND TAPPING NATURAL GAS RESERVES
TO PRODUCE STEEL (WSJ; TELFER, JOC).

AP MANILA REPORTS THAT JAPANESE EMBASSY WILL NOT DO
ANYTHING ABOUT LATEST REPORTED WWII JAPANESE STRAGGLER.
SPOKESMAN SAYS GOJ THINKS MUST BE "QUITE A NUMBER" OF
SOLDIERS WHO HAVE PEACEFULLY INTEGRATED INTO LOCAL
COMMUNITIES AND LIVING WITHOUT ANY DIFFICULTIES (WP).

7. COMMENT AND ANALYSIS

CHINA

FROM HK, LAT'S ELEGANT (SEPT 8) PEGS DISCUSSION
ON POST-CHOU CHINA TO HUMPHREY QUOTE THAT THE
PREMIER'S ;CONDITION WAS WORSE.." ELEGANT SAYS
NO ONE EXCEPT CHOU'S DOCTORS AND CLOSE ASSOCIATES
KNOW THE PROGNOSIS, BUT IN VIEW FACT CHOU LED
EXCEEDINGLY STRENUOUS LIFE, IT IS PRUDENT TO ASSUME
HE WILL EITHER DIE OR SURRENDER MUCH OF HIS POWER

WITHIN FAIRLY SHORT TIME.

ELEGANT BELIEVES IMPACT OF MAO'S DEATH ON CHINA
WILL BE SECONDARY TO THAT OF CHOU'S, IF LATTER DIES
IN NEAR FUTURE. CHOU HAS BEEN PREPARING FOR
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EVENTUALITY OF DEATH OR SURRENDERING MUCH OF HIS
POWER. HE USED ILLNESS TO THWART DOMESTIC ENEMIES
AND MAKE ORDERLY RETREAT FROM HIS GREAT RESPONSIBILITIES.
UNLIKE MAO, WHO WON'T THINK ABOUT A SUCCESSOR, CHOU
HAS BEEN GROOMING TENG HSIAO-PING, WHOM HE SNATCHED
FROM OBLIVION TO WHICH THE GPCR HAD CONSIGNED HIM.

CHOU'S DEATH WOULD CONFRONT TENG WITH ENORMOUS
PROBLEMS. TENG'S FIRST PROBLEM WILL BE REACHING
ACCOMMODATION WITH PARTIALLY SENILE MAO. FURTHER,
TENG WILL FACE A POLITBURO STANDING COMMITTEE
THAT IS HEAVILY LOADED WITH LEFTIST ENEMIES OF
CHOU. UNLESS TENG SECURES IMMEDIATE BACKING OF
PLA GENERALS, HE WILL BE UNABLE TO ASSUME CHOU'S
FULL POWERS. TENG'S CHANCES OF WINNING MIL SUPPORT,
HOWEVER, ARE GOOD: HIS OLD ASSOCIATIONS WITH

KEY GENERALS, AND THEY WILL NEED HIM TO PRESERVE
ORDER. IN ANY EVENT, UPPER LEVELS OF CCP WILL BE
SHAKEN BY BITTER CONTENTION. THOUGH THEY LACK ANY
REAL POWER-BASE IN ADMIN OR PLA, LEFTISTS WILL NOT
LIGHTLY SURRENDER THEIR FORMAL POSITIONS IN POLITBURO.

TENG ALSO HANDICAPPED BECAUSE HE HAS AROUSED PERSONAL
ANTIPATHY IN MANY COLLEAGUES BY HIS ABRASIVE MANNER
AND HIS UNCONCEALED AMBITION. MOREOVER, HE IS
DISTRUSTED BECAUSE OF HIS PAST OPPORTUNISM.

PRC WILL LACK ANY FIGURE CAPABLE OF FILLING ROLE
CHOU PLAYED; NO INDIVIDUAL WILL COMMAND EVEN MINIMAL
TRUST FROM MOST RIVAL FACTIONS. THEREFORE, THERE
WILL BE NO REALLY EFFECTIVE GO-BETWEEN TO RECONCILE
FACTIONAL CONFLICTS; NO ONE WILL HAVE ENORMOUS
PRESTIGE CHOU BROUGHT TO THAT FUNCTION.

CHOU'S PASSING LIKELY TO HAVE DELETERIOUS AFFECTS ON
CHINA'S RELATIONS WITH US AND USSR, INITIALLY, AT
LEAST. THE AMERICAN CONNECTION WAS CROWN OF CHOU'S
CAREER, AND PERSONAL ELEMENT IS STRONG IN THE RELATIONSHIP.
HOWEVER, SINO-AMERICAN RELATIONS SHOULD RESUME THEIR
CURRENT STATE AFTER REASONABLY BRIEF PERIOD OF TIME.
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USSR WILL LACK ANY MAJOR CHINESE FIGURE WITH WHOM THEY CAN NEGOTIATE WITH CONFIDENCE. A NATION RULED LARGELY BY GENERALS AND SHAKEN BY INTERNAL DISORDER WILL NOT INVITE RUSSIAN WOLF IN TO GUARD THE CHINESE SHEEP. PRC HAD TOO MANY BITTER EXPERIENCES; SUSPICION OF RUSSIA IS, THEREFORE, LIKELY TO HARDEN.

ELEGANT CONCLUDES THAT IF TENG, AS REP OF MODERATE COALITION, DOES NOT MOVE FAST AND SKILLFULLY, PROSPECTS FOR CHINA'S INTERNAL HEALTH AND EXTERNAL RELATIONS ARE GRIM.

ANN LANDERS (WP, CHITRIB, NYDN), IN SECOND INSTALLMENT FROM CHINA, REPORTS AMA DELEGATION VISITING NURSERY, GREETED BY CHILDREN CHANTING IN CHINESE, "HELLO, UNCLES AND AUNTIES." NOTES CHILDREN BEING INCULCATED WITH SENSE OF HONESTY. LANDERS SAYS SHE WOULD NOT WANT HER GRANDCHILDREN TO BE RAISED IN CHINA, "BUT I WOULDN'T MIND IF THEY COULD GO TO SCHOOL THERE FOR A YEAR OR TWO." SAYS ALSO THERE IS NO CHILD ABUSE PROBLEM IN PRC.

JAPAN

NYT'S HALLORAN IN TOKYO REPORTS JAPANESE BIG BUSINESSES PUBLICLY TELLING LDP THEY ARE CUTTING BACK POLITICAL CONTRIBUTIONS - MAJOR SOURCE OF PARTY FUNDS. DIRECTOR OF LDP TREASURY BUREAU SAID FUNDS FROM BUSINESS CONCERNS HAD FALLEN BY 20 PERCENT, AND WORST IS YET TO COME. CRISIS HAS IMMEDIATE ROOTS IN LDP'S IMMENSE SPENDING FOR JULY UPPER HOUSE ELECTION WHEN PARTY SAW ITS PARLIAMENTARY MAJORITY CUT TO BARE MARGIN. PARTY'S REPUTATION WAS SERIOUSLY DAMAGED AND IN AN UNUSUAL CASE IN JAPAN, WHERE ELECTION REGULATIONS ARE OPENLY FLOUTED, ONE OF ITS CANDIDATES IS UNDER INDICTMENT FOR VIOLATION OF CAMPAIGN SPENDING LAW.

BUSINESS COMMUNITY WANTS PARTY TO REFORM ITSELF, TO GET MORE OF ITS FUNDS FROM SMALLER BUSINESSES AND

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FROM PARTY MEMBERS, AND DISSOLVE FEUDING FACTIONS WITHIN ITS RANKS. MANY BUSINESSMEN SAID THEY DO NOT INTEND TO CUT OFF ALL CONTRIBUTIONS, BUT HAVE TAKEN

OPPORTUNITY TO REMIND PARTY WHERE ITS MONEY COMES FROM AND THAT BUSINESS INTERESTS ARE NOT TO BE OVERLOOKED IN POLICY DECISIONS.

BUSINESSMEN AND LDP POLITICIANS HAVE MOVED TO MAKE SURE TIFF DOES NOT GET OUT OF HAND. FORMER HAVE NO OTHER POLITICAL PARTY THEY CAN TURN TO, SINCE OPPOSITION PARTIES ARE WELL TO LEFT OF CENTER, AND LDP HAS NO OTHER MAJOR SOURCE OF FUNDS.

COMMITTEE OF LEADING BUSINESSMEN HAS STARTED NEGOTIATIONS WITH SENIOR LDP POLITICIANS TO REFORM PARTY FINANCING. FOCAL POINT OF ATTENTION IS KOKUMIN KYOKAI, AN ORGANIZATION SET UP TO COLLECT FUNDS FROM BUSINESS UNDER KEIDANREN GUIDANCE.

AUSTRALIA

LAT'S LAMB (SEPT. 7; ALSO WP) IN SYDNEY REPORTS UNEMPLOYMENT INCREASING AT ALARMING RATE. AUGUST FIGURES SHOW UNEMPLOYMENT JUMPED 5 PERCENT FROM PREVIOUS MONTH, WITH 108,000 PERSONS, OR 1.8 PERCENT OF WORK FORCE, UNEMPLOYED. MOST COUNTRIES WOULD BE DELIGHTED WITH SIMILAR UNEMPLOYMENT RATE, BUT MANY AUSSIES BELIEVE EVERY MAN HAS RIGHT TO JOB AND IT WAS CONSIDERED SOMETHING OF A NATIONAL EMERGENCY WHEN UNEMPLOYMENT PEAKED AT 2.14 PERCENT IN DEC 1972 BEFORE ALP CAME TO POWER.

OBSERVES BITTER FIGHTING TAKING PLACE WITHIN ALP OVER WHETHER LIMITED UNEMPLOYMENT IS ACCEPTABLE TO ALP'S PHILOSOPHY. CITES MOST ECONOMISTS AS BELIEVING THAT SOME UNEMPLOYMENT IS NECESSARY TO CURB INFLATION AND THEY PREDICT A RECORD 180,000 MAY BE JOBLESS BY END OF YEAR.

SINGAPORE

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FROM SINGAPORE, FREE-LANCE WRITER JONATHAN ROLLOW (CHITRIB) REPORTS ON CONSIDERATIONS WHICH MAKE THE CITY-STATE ATTRACTIVE TO TOURISTS AND, PARTICULARLY FOREIGN INVESTORS. KISSINGER

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